

November 30, 2005

Honorable James H. Welsh
Commissioner of Conservation
Department of Natural Resources
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Derouen Sand, Reservoir C
ERATH FIELD
Vermilion Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Hilliard Petroleum, Inc., to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Derouen Sand, Reservoir C, in the Erath Field, Vermilion Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Derouen Sand, Reservoir C, in the Erath Field, Vermilion Parish, Louisiana.
2. To create a single drilling and production unit for this sand and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
3. To designate a unit operator and a unit well for the unit so created.
4. To provide that the Derouen Sand, Reservoir C, should be exempt from the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
6. To discuss any other matters that may be pertinent to this application.

The Derouen Sand in the Erath Field, Vermilion Parish, Louisiana, was fully defined in Office of Conservation Order No. 34-H-3, effective January 11, 1978.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the Erath Field, Vermilion Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the Erath Field, Vermilion Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from Cambe Geological Services, Inc., 6300 Westpark, Suite 400, Houston, Texas 77057 (713-659-8363).

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on October 21, 2005, at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. Bill McAlister, representing Hilliard Petroleum, Inc., concerning the nature and purpose of the conference and the bases for the applicant's proposed unit which comprises ± 140 Acres.

Mr. David Sturlese, representing Harrington/Bernard, presented a counterplan comprising ± 174 Acres. This counterplan differed from the applicant's in that it included more acreage to the north and northeast.

Questions regarding both plans were asked and answered. Differences could not be resolved between the parties in attendance, but agreed to continue working towards a resolution.

After further discussion, differences have been resolved and the parties agreed to a compromise comprising ± 167 Acres. You will find the compromise plat attached to the application. We expect no opposition at the hearing.

There are attached hereto and made a part hereof a revised plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said list of parties will be provided to any party requesting a copy. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Hilliard Petroleum, Inc., in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Bill McAlister

BM/cu
Enclosures
cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road
Brandywine III, Suite 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested Owners
and Represented Parties

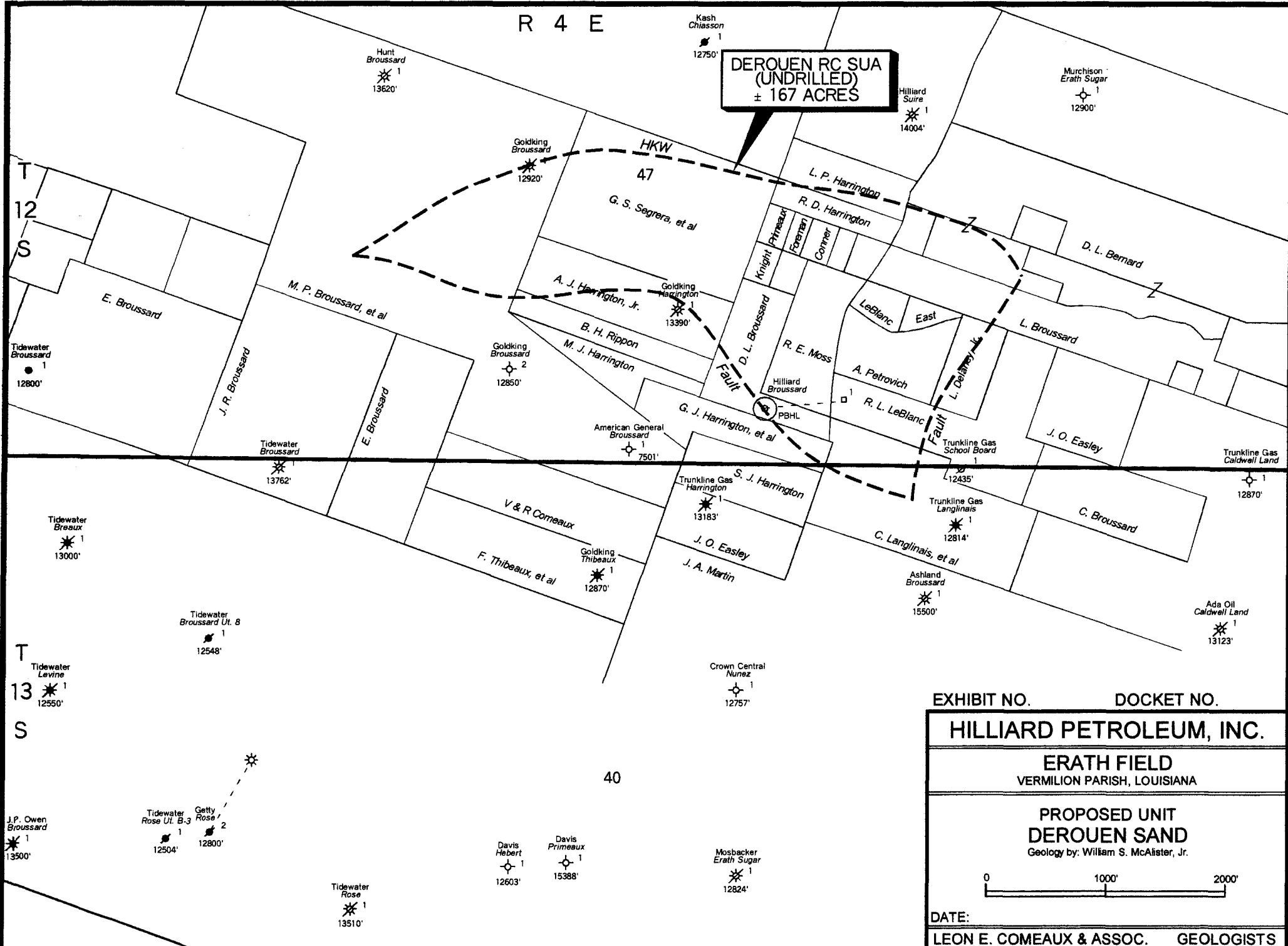


EXHIBIT NO.	DOCKET NO.
HILLIARD PETROLEUM, INC.	
ERATH FIELD VERMILION PARISH, LOUISIANA	
PROPOSED UNIT DEROUEEN SAND Geology by: William S. McAlister, Jr.	
0 1000' 2000'	
DATE:	
LEON E. COMEAUX & ASSOC. GEOLOGISTS	